

(22) "Actuarial Equivalent" shall mean a benefit of equal value when computed at regular interest upon the basis of such mortality tables as shall be adopted by the board of trustees. "Actuarial Equivalent."

(23) "Fiscal Year" shall mean any year commencing July first and ending June thirtieth next following. "Fiscal Year."

SEC. 2. *Name and date of Establishment.* A Retirement system is hereby established and placed under the management of the board of trustees for the purpose of providing retirement allowances and other benefits under the provisions of this Act for employees of those counties, cities and towns or other eligible employers participating in the said Retirement System. The Retirement System so created shall become operative as of the first day of July, nineteen hundred and thirty-nine: *Provided*, that in the judgment of the board of trustees an adequate number of persons have indicated their intention to participate; otherwise at such later date as the board of trustees may set.

Establishment of Retirement System authorized.

Purpose of System.

Operative date.

It shall have the power and privileges of a corporation and shall be known as the "North Carolina Governmental Employees' Retirement System," and by such name all of its business shall be transacted, all of its funds invested, and all of its cash and securities and other property held. "North Carolina Governmental Employees' Retirement System."

SEC. 3. *Acceptance by Cities, Towns and Counties.* (1) The governing body of any incorporated city or town may, by resolution legally adopted and approved by the board of trustees, elect to have its employees become eligible to participate in the Retirement System, and the said municipal governing body may make the necessary appropriation therefor and if necessary levy annually taxes for payment of the same.

Acceptance of participation in System by municipalities.

Appropriation and tax levy authorized.

(2) The Board of Commissioners of any county may, by resolution legally adopted and approved by the board of trustees, elect to have its employees become eligible to participate in the Retirement System, and the said County Board of Commissioners may make the necessary appropriation therefor and if necessary levy annually taxes for payment of the same as a special purpose, in addition to any tax allowed by any special statute for the purposes enumerated in Section one thousand two hundred and ninety-seven of the Consolidated Statutes and in addition to the rates allowed by the Constitution.

Acceptance of participation in System by counties.

Appropriation and special tax levy authorized.

(3) Any eligible employer desiring to participate in the Retirement System shall file with the board of trustees an application for participation under the conditions included in this Act on a form approved by the board of trustees. In such application the employer shall agree to make the contributions required of participating employers, to deduct from the salaries of employees who may become members the contributions required of members under this Act, and to transmit such contributions to the board of trustees. It shall also agree to make the employer's contribu-

Application of eligible employer for participation.

Agreements of employer as to contributions, deductions, etc.